

Finance and Audit Committee Terms of Reference

Mandate

The mandate of the Finance and Audit Committee (the “Committee”) is to assist the Board of Directors in fulfilling its oversight responsibilities in pursuing effective financial management, planning and reporting.

The Committee is a standing committee established in the By-law, and reports to the Board of Directors.

Composition

The Committee consists of:

- six Members, one representing each of the OACETT regions, (Western, Horseshoe, Toronto, Central, Eastern and Northern), who shall not also be a member of the Board of Directors, another Board committee, or another Board entity. Committee members may be Certified Members or Associate Members; however, Associate Members may comprise no more than 25% of the Committee's membership.
- The Treasurer

Chair of the Committee

The Treasurer shall serve as Chair of the Committee, and shall provide direct reporting to the Board of Directors.

Authority

The Committee may initiate investigations or studies of matters that reflect on financial issues of OACETT, or such other matters as deemed appropriate by the Board of Directors.

The Committee may obtain expertise and assistance from outside financial advisors, Governance or other third-party advisors as required to assist in the execution of Committee responsibilities. Use of these services, along with associated costs and contractual obligations shall be reported to the Board of Directors periodically.

The Committee shall act within budget requirements established by the Board. The budget for projected activities for the following year's Committee shall be submitted as required to the Board of Directors.

Duties and Responsibilities

The Committee shall be familiar with all By-laws and policies regarding financial management, budgets, interim and audited financial statements, and other documents relating to the exercise of its duties.

Financial Management

The Committee shall advise the Board of Directors on policy and process with respect to financial affairs of the Association, including reviewing standards and presentation for interim financial statements.

The Committee shall assess the adequacy and effectiveness of internal financial controls and the identification of areas of financial risk.

The Committee shall present to the Board of Directors a schedule of member's dues, fees and honorariums, for approval by Board of Directors, to be effective for the following year beginning January 1.

The Committee shall oversee the management of the Association's investment funds.

Budget

The Committee shall request budget input from the senior management team in advance of presenting a budget to Board of Directors. The Committee shall ensure that input from OACETT legal counsel is included regarding any legal matters that could have a significant impact on financial management.

The Committee shall co-ordinate budget submissions with all committees of the Board of Directors.

The Committee may propose a revision to the approved budget prior to the end of the first quarter of the budget year.

Financial Reporting

The Committee shall present interim financial statements at each Board of Directors meeting to show actual spending versus approved Budget, and shall provide an explanation for major variances.

The Committee shall ensure the audited Financial statements are reported as actual versus approved Budget.

The Committee shall provide an explanation of major variances in Revenues and Expenditures which accompany the audited Statements published for the members.

The Committee shall review Cash Flow Statements to date provided by the Director of

Finance and Corporate Services for presentation to Board of Directors with a recommendation from the Committee.

Audit

The Committee shall provide oversight to the audit process and will be responsible for meeting with the auditor at least twice annually – once to review the audit plan and once to review the audited financial statements.

The Committee shall meet with auditor without management present at least once a year in order that both parties may share any areas of concerns.

The Committee shall go to market for audit services at minimum every five years to ensure competitive rates and current practices. If a decision is made to stay with the same audit firm, a change in the lead partner is mandatory.

The Committee shall submit a report to the Board of Directors on its activities annually. The Committee shall carry out such other duties to fulfil its mandate and duties as may be delegated by the Board of Directors.

Review of Terms of Reference

To be reviewed annually by the Finance and Audit Committee and every five years by the Board of Directors.